



24 CFR Part 93

[Docket No. FR-5246-N-04]

RIN 2506-AC30

Housing Trust Fund: Request for Public Comment on Prior Interim Rule

AGENCY: Office of the Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development (HUD).

ACTION: Request for public comment.

SUMMARY: This document seeks comments regarding the Housing Trust Fund (HTF) program administered by HUD. On January 30, 2015, an interim final rule was published in the Federal Register establishing regulations governing the administration of HTF and the formula that determines how HTF funds are distributed among eligible grantees. In the interim rule, HUD stated its intention to open the interim rule for public comment once funding was made available and the grantees gained experience in administering the HTF program. Since the publication of the interim rule, HTF funds have been allocated to eligible grantees in Federal Fiscal Years 2016 through 2021. Grantees have had adequate time to administer the HTF under the interim rulemaking and gain experience necessary to provide substantive comments on the workability of the HTF program requirements and ways program administration can be improved. In addition to comments on the interim rule, HUD is asking for the public to consider and comment on additional issues that may inform its rulemaking. HUD will consider all comments submitted in undertaking further rulemaking for the HTF.

DATES: Comment due date: **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested persons are invited to submit comments regarding this document. Comments should refer to the above docket number and title. There are two methods for submitting comment:

1. Electronic submission of comments: Comments may be submitted electronically through the Federal eRulemaking Portal at www.regulations.gov. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit a comment, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the www.regulations.gov website can be viewed by other commenters and interested members of the public. Commenters should follow instructions provided on that site to submit comments electronically.

2. Submission of comments by mail: Comments may be submitted by mail to the HUD Regulations Division, Office of Community Planning and Development, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410-8000; telephone: (202) 708-2625 (this is not a toll-free number), or toll free (800) 481-9895. Hearing- or speech-impaired individuals may access these numbers through TTY by calling the Federal Relay Service at (800) 877-8339 (this is a toll-free number).

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of this document.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of public comments: All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. weekdays at the above address. Due to security measures at the HUD Headquarters building, an appointment to review the public comments must be scheduled in advance by calling the Regulations Division at (202) 402-5731 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number via TTY by calling the Federal Relay Service at (800) 877-8339. Copies of all comments submitted are available for inspection and downloading at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Virginia Sardone, Director, Office of Affordable Housing Programs, Room 7164, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410–7000; telephone (202) 708–2684. (This is not a toll-free number.) A telecommunications device for hearing- and speech-impaired persons (TTY) is available at 800–877–8339 (Federal Information Relay Service).

SUPPLEMENTARY INFORMATION:

I. Background

The Housing and Economic Recovery Act of 2008 (HERA) (Pub. L. 110-289, approved July 30, 2008) established the Housing Trust Fund (HTF) to be administered by HUD. The HTF was established for the purpose of increasing and preserving the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing for extremely low and very low-income families, including homeless families, and to increase homeownership for extremely low-and very low-income families. HERA directs HUD to establish, through regulation, the formula for distribution of amounts made available for the HTF. HUD published the proposed formula for the allocation of HTF funds for public comment on December 4, 2009 (74 FR 63938). In addition, HERA directs HUD to establish regulations to administer the HTF. A proposed rule on the administration of the HTF was published for public comment on October 29, 2010 (75 FR 66978). The Department received 13 public comments on the proposed formula notification and 98 public comments on the proposed program rule. After consideration of all comments, HUD responded to the comments in an interim rule published on January 30, 2015 (80 FR 5200) and included some changes which HUD summarized at 80 FR 5202. HUD also made conforming changes for HTF to several sections of the Consolidated Plan rule in 24 CFR part 91. The HTF interim rule is currently codified at 24 CFR part 93.

In the interim rule, the Department stated that after funding the HTF and allocating funds to grantees, HUD would solicit public comments on the interim rule. HUD believes that this would allow for more informed policymaking as HUD would be obtaining comments from

grantees after grantees had experience in administering the program. Since publication of the interim rule, HUD has allocated HTF funds to eligible grantees in accordance with the established formula in federal fiscal years 2016, 2017, 2018, 2019, 2020, and 2021 and grantees now have experience administering the HTF funds. Therefore, HUD is opening the interim rule for comment by grantees, stakeholders, and any other interested members of the public. This document also poses additional issues for the public to consider.

II. This Document

This document seeks input from the public on current program requirements as well as specific issues identified below. HUD will consider comments received in each public comment phase prior to final rulemaking to evaluate potential modifications to the rule. HUD's goal is improving Grantees' ability to effectively administer HTF funds and providing flexibility to the greatest extent possible within the HTF program's statutory framework to carry out the statutory purpose of the HTF, which is increasing and preserving the supply of rental housing for extremely low- and very low-income families, including homeless families, and increasing homeownership for extremely low-and very low-income families.

III. Request for Public Comment

This document offers the opportunity for the public to provide comments, information, and recommendations on the HTF interim rule. The Department will consider all relevant comments submitted, but specifically solicits comment on the following, in addition to the interim rule:

1. Income targeting requirements, including the requirement at 24 CFR 93.250(a) that 100 percent of HTF funds be used for extremely low-income households or families with incomes at or below the poverty line (whichever is greater) in years when funds made available for HTF is less than \$1 billion. For reference, 24 CFR 93.2 defines extremely low-income households as families whose annual incomes do not exceed 30

percent of the median family income of a geographic area, as determined by HUD

with adjustments for smaller and larger families;

2. The rent limitations established at 24 CFR 93.302(b);
3. The minimum 30-year period of affordability established at 24 CFR 93.302(d) and 24 CFR 93.304(e);
4. The property standards, including environmental standards established at 24 CFR 93.301;
5. The restrictions on the use of HTF funds for operating cost assistance (including reserves) established in 24 CFR 93.200(a)(1) and definition of operating costs at 24 CFR 93.201(e)(1), which defines operating costs as “costs for insurance, utilities, real property taxes, and maintenance and scheduled payments to a reserve for replacement of major systems (provided that the payments must be based on the useful life of each major system and expected replacement cost) of an HTF-assisted unit;”
6. What changes to the HTF program could improve program administration and more effectively address the housing needs of the population it is intended to serve?

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Programs.

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